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19 mai 1992

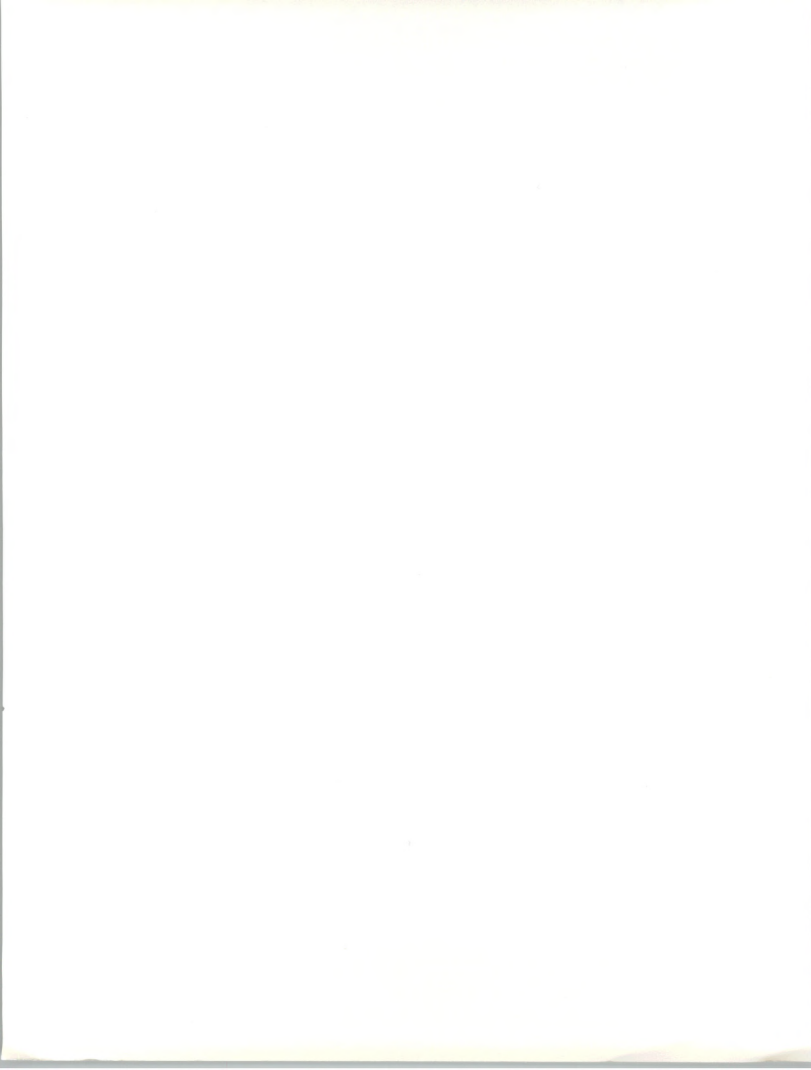
Bilan & Perspectives Pour Les
Marchés Des Services

L'incontournable pousée du "Downsizing"

INPUT*

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Information Services Industry European Market Trends in Software and Services

E-IS-16

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Notes



Software and Services, Europe

Key Industry Trends

- Projects downsized
- Outsourcing satisfies
- Price pressure on services
- Pan-European support
- Desktop entrants

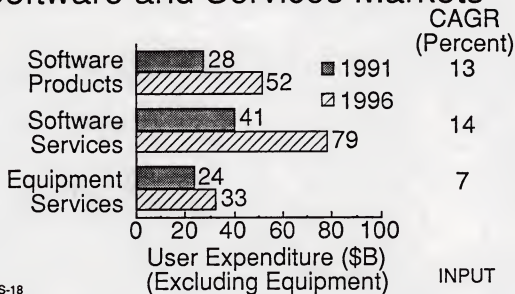
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Notes

Europe

Software and Services Markets



E-IS-18

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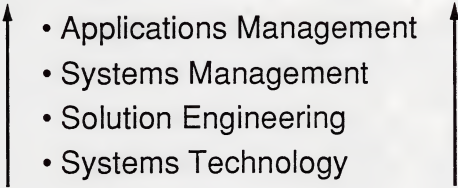
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Vendor-Added Value

- 
- Applications Management
 - Systems Management
 - Solution Engineering
 - Systems Technology

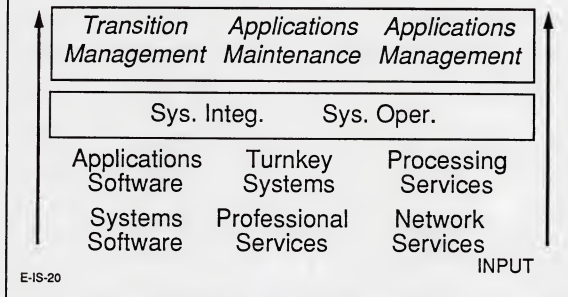
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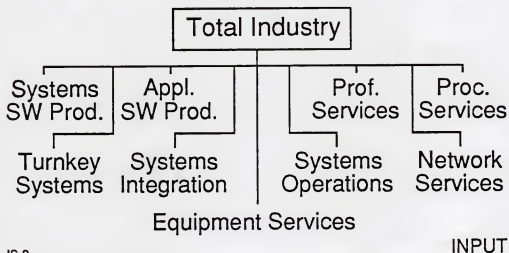
Product and Service Trends



Notes



Information Services Industry Structure



Notes



Software and Services, Europe, 1991

Leading Vendors

Vendor	1991 \$B	Rank	
		1991	1990
IBM	5.3	1	1
Digital	1.7	2	5
SNI	1.7	3	2
CAP Gemini Sogeti	1.7	4	3

E-IS-21

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Notes



Software and Services, Europe, 1991

Leading Vendors

Vendor	1991 \$B	Rank	
		1991	1990
Reuters	1.5	5	4
Microsoft	1.0	6	9
Andersen Consulting	0.9	7	8
Groupe Bull	0.8	8	6

E-IS-22

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Notes



Software and Services, Europe, 1991

Leading Vendors

Vendor	1991 \$B	Rank	
		1991	1990
Unisys	0.7	9	7
EDS	0.7	10	30
Sema Group	0.7	11	10
Finsiel	0.7	12	11

E-IS-23

INPUT

Notes



Software and Services, Europe, 1991

Leading Vendors

Vendor	1991 \$B	Rank	
		1991	1990
Computer Assoc.	0.7	13	12
Sligos	0.6	14	15
Oracle	0.5	15	20

E-IS-24

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Notes



Europe

Delivery Mode Issues

- Turnkey systems—Impacted by downsizing and open systems margins
- Applications software products—Smaller systems dominate
- Systems software products—Prices under pressure

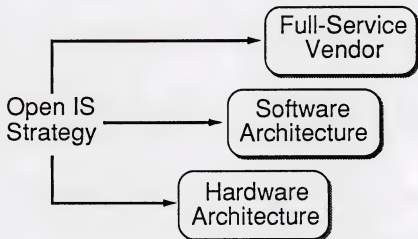
E-IS-25

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Notes



Vendor Selection Trends



E-IS-26

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Notes



Europe

Delivery Mode Issues

- Network services—High-growth opportunities
- Systems operations—Renewed satisfaction, desktop entrants
- Systems integration—Project downsizing for fast payback

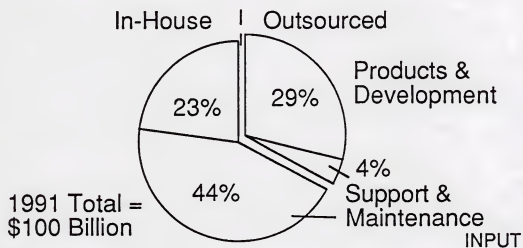
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E-IS-27

Notes



European User Software Budgets



Notes



Europe

Delivery Mode Issues

- Professional services—
Competition up, growth down
- Processing services—Specialized
applications drive development
- Equipment services—Multivendor
and environmental services grow

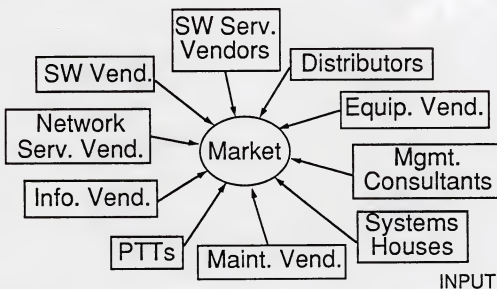
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E-IS-29

Notes



Increasing Competition



E-IS-30

Notes

Chapter 2

The first part of the chapter is devoted to the study of the

properties of the function $f(x)$ defined by

$f(x) = \begin{cases} 1 & \text{if } x \text{ is rational} \\ 0 & \text{if } x \text{ is irrational} \end{cases}$

and to the study of the function $g(x)$ defined by

$g(x) = \begin{cases} 1 & \text{if } x \text{ is rational} \\ -1 & \text{if } x \text{ is irrational} \end{cases}$

and to the study of the function $h(x)$ defined by

$h(x) = \begin{cases} 1 & \text{if } x \text{ is rational} \\ 2 & \text{if } x \text{ is irrational} \end{cases}$

and to the study of the function $k(x)$ defined by

$k(x) = \begin{cases} 1 & \text{if } x \text{ is rational} \\ 3 & \text{if } x \text{ is irrational} \end{cases}$

and to the study of the function $l(x)$ defined by

$l(x) = \begin{cases} 1 & \text{if } x \text{ is rational} \\ 4 & \text{if } x \text{ is irrational} \end{cases}$

and to the study of the function $m(x)$ defined by

$m(x) = \begin{cases} 1 & \text{if } x \text{ is rational} \\ 5 & \text{if } x \text{ is irrational} \end{cases}$

and to the study of the function $n(x)$ defined by

$n(x) = \begin{cases} 1 & \text{if } x \text{ is rational} \\ 6 & \text{if } x \text{ is irrational} \end{cases}$

Software and Services Forecast, 1992-1997 Europe

13% CAGR
. . . and falling

E-IS-31

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Notes



The Impact of Downsizing on Software and Services

- Software re-engineering
- Customer services perspective

E-AD-1a

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Notes



Software Re-engineering

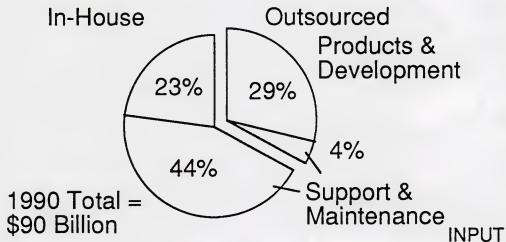
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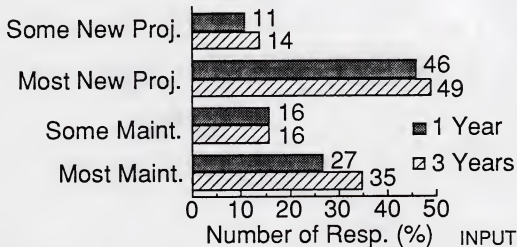
European User Software Budgets



Notes



CASE Project Usage Plans Europe

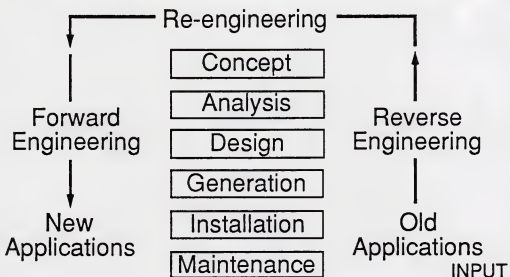


E-AD-4

Notes



The Software Life-cycle



E-AD-5

Notes



Software Re-engineering

- Drivers
 - Established business practices
 - Reverse engineering tools
 - Portable software platforms

E-AD-6a

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Notes



Software Re-engineering

- Inhibitors
 - Change and business re-engineering
 - Object-oriented design
 - Downsizing

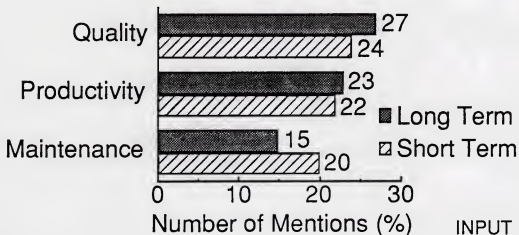
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Payback Expectations of CASE Users

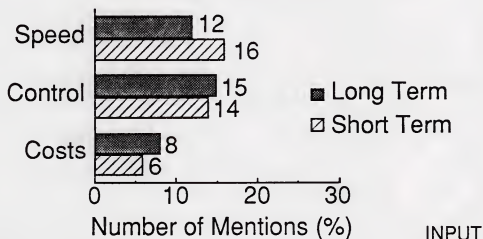


E-AD-7

Notes



Payback Expectations of CASE Users

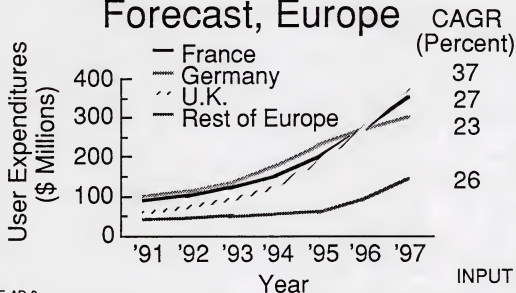


E-AD-8

Notes



CASE Software Products Forecast, Europe



E-AD-9

Notes



CASE-Related Initiatives

- Methodologies
- Software standards
- Software quality
- Organisational changes
- Training
- Team management

E-AD-10

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Notes



Application Questions

- Drop
- Hold
- Re-engineer
- New development
- New package

E-AD-11

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Notes



Impact of Downsizing

- Systems
- Projects
- Timescales
- Budgets
- Management

E-AD-12

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Notes



Customer Services Perspective

E-CS-96

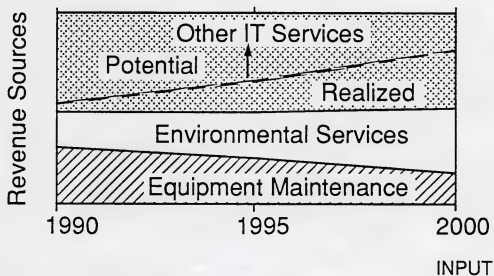
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IT Customer Services



E-CS-97

Notes



Impact of Downsizing

- Maintenance squeezed
- Focus on SME/PME
- Desktop services

E-CS-98

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Notes



Repositioning

- SI
- Business continuity
- Networks
- Human resources
- Cross-industry assimilation

E-CS-99

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Notes



New Offerings

Percent of Business	Percent of Vendor Sample
≤10	50
11 - 20	25
21 - 25	8
26 - 40	17

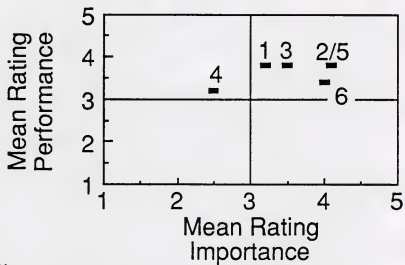
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Notes



Performance vs. Importance



E-CS-101

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Notes



Legend

- 1 = Planning & Design
- 2 = Network Services
- 3 = Software Services
- 4 = Human Resources
- 5 = Disaster Recovery
- 6 = Security Services

E-CS-102

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Notes



Desktop Services

- One solution
- Open window
- Range of approaches

E-CS-103

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Notes



Traditional Desktop

- PC supply
- Network/server
- PC/printer maintenance
- Installation
- Training

E-CS-104

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Notes



New Services

- ASP supply/support
- Help desk selection/supply
- Problems management
- Planning/administration
- Network upgrades
- Application development

E-CS-105

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Notes



Approaches

Standalone



1.

Outsourcing



2.

Solution

3.

INPUT

E-CS-106

Notes



Selection Criteria

- Network expertise
- Single supplier
- Up-to-date
- Independence
- Pan-European

E-CS-107

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Notes



Digital's Service Offering

- Part of Bespoke Services
- 4 service lines
- Mix and Match
- Sales - Force
 - DECdirect

E-CS-108

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Notes



Digital

Strengths	Weaknesses
<ul style="list-style-type: none">• Name• Catalogue• Networking• I-stop• Multivendor	<ul style="list-style-type: none">- Hardware image- Confusing offerings- Impartial?- Not highlighted

E-CS-109

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Notes



Hewlett-Packard's Service Offering

- Standard contracts
- Multivendor—including 3rd-party software
- Consultancy/customisation
- Specialist groups

E-CS-110

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Notes



Hewlett-Packard

Strengths

- Premier on support
- Tailored contracts
- Strong networking
- Support for Oracle, Ingres, etc.
- Own & multivendor

Weaknesses

- Differentiated
- Technical orientation
- Weak SO

E-CS-111

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Notes



PrimeService's Service Offering

- Network planning/design
- Single-source 'Desktop'
- Standard supply/maintenance
- Multivendor 'One-Call'

E-CS-112

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Notes

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PrimeService

Strengths

- Software skills
- Integration skills
- Networking
- Multivendor

Weaknesses

- Specialist
- Technical
- Commercial
- Marketing clout
- Weak SO

E-CS-113

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Notes



Computeraid Service Offering

- Blank paper
- Selective large contracts
- Learn on the job

E-CS-114

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Notes



Computeraid

Strengths	Weaknesses
<ul style="list-style-type: none">• PC hardware maintenance• Help desk skills• Financial• Clear strategy	<ul style="list-style-type: none">- ASP skills- Maintenance culture- Selling to end users

E-CS-115

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Notes



Data Logic Service Offering

- Branded product/service
- Mix and match
- Installed base
- Pan-European intention

E-CS-116

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Notes



Data Logic

Strengths	Weaknesses
<ul style="list-style-type: none">• International• Skills mix• Focussed service line• Independent	<ul style="list-style-type: none">- Uneven- ASP skills- Pan-European(?)

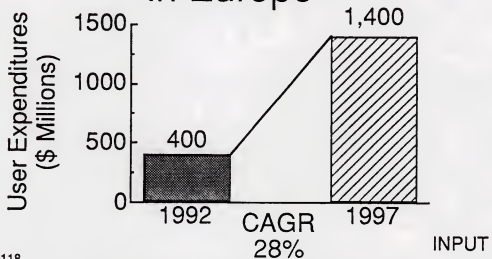
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Notes



Desktop (+Maintenance) in Europe



E-CS-118

Notes



Equipment Suppliers

Strengths	Weaknesses
<ul style="list-style-type: none">• Expertise• Large IBs• Financial• CS organisation	<ul style="list-style-type: none">- Product oriented- Resources- Channel contention- Slow to change- Not impartial

E-CS-119

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Notes



IMOs

Strengths	Weaknesses
<ul style="list-style-type: none">• PC expertise• Incentive• Independent	<ul style="list-style-type: none">- Financial- Software skills- Maintenance cultures

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Notes



Recommendations

- Strategic repositioning
- Acquire key skills
- Position migration

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Notes



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